

McMICHAEL, MEDLIN, D'ANNA & WEDGEWORTH, L.L.C.

Attorneys and Counselors at Law
504 Texas Street, Suite 400
Post Office Box 72
Shreveport, LA 71161-0072
Telephone: 318-221-1004
Facsimile: 318-221-0008

James C. McMichael, Jr.
W. Deryl Medlin*
John R. D'Anna
A. L. Wedgeworth, III

*Board Certified in Taxation
and in Estate Planning
and Administration

February 18, 2004

Ms. Kathleen Dutt, Esq.
Office of the General Counsel
Federal Election Commission
999 E Street, NW
Washington, D.C. 20463

Re: MUR 538

5398

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL
2004 FEB 23 A 11:56

Dear Ms. Dutt:

This will serve as Dr. John George's and Ann George's response to your letter of January 12, 2004 in which you forwarded the Federal Election Commission's (the "Commission") Factual and Legal Analyses concerning their possible violations of the Federal Campaign Act of 1971 (the "Act").

To begin with, both Dr. and Mrs. George adamantly deny that they were involved in any violations of the Act. At no time were either of them reimbursed by LifeCare or LMS for political contributions either through bonuses or by way of expense reimbursements.

Neither of them were ever aware of any reasons behind the timing of bonuses authorized by David LeBlanc or the purpose of such bonuses. Nor were they aware of any correlation between political contributions by LeBlanc, Don Boucher or Leroy Thompson making political contributions that were tied to their receiving bonuses.

With regard to the allegations against Dr. George, while the FEC Factual and Legal Analysis identifies \$11,350 in political contributions as having been made by him, apparently only two contributions are in question because of their temporal proximity to bonuses he received. The first is a June 1999 contribution of \$2,000.00 Dr. George made to Gore 2002, Inc. within two weeks of his having received a June 11, 1999 bonus from LMS for \$28,100.00. The bonus was a combined bonus of \$25,600.00 and \$2,500.00 paid in a single check. Apparently, someone suspects that the \$2,500.00 bonus was paid to Dr. George because of the upcoming contribution. The contribution to Gore 2000, Inc. was returned to Dr. George. Dr. George recalls making the contribution and remembers that it was returned. However, while he does not specifically remember receiving the bonus, he is sure that the bonus had no correlation to the contribution. He also points out that the bonus was not returned when the contribution was; that the bonus of \$2,500.00 netted him less than

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\$1,800.00 considering his tax rate; and that he received nine bonuses in 1999 with only two being identified as anywhere close in time to any of the political contributions at issue.

The second is a \$1,000.00 contribution to the Friends of Sam Johnson on September 16, 1999. Dr. George received a bonus of \$1,300.00 the next day from LMS, again raising a suspicion that the two transactions were linked. Dr. George recalls that the contribution to Sam Johnson was related to Dr. George's activities as chairman of the Barksdale Air Force Base Air Show and not to his employment activities at LifeCare. Dr. George wanted Sam Johnson, a military hero and former Thunderbird pilot, to attend the Air Show. On the same day, Dr. George made the contribution to Sam Johnson, he made a \$1,000.00 donation to Sci-Port Discovery Center in Shreveport to purchase a table for LifeCare employees to attend its annual fund raising party. Shortly thereafter, he made another \$1000.00 donation to the Shreveport Deaf Action Center. Dr. George believes that if the bonus was linked to anything, it was to reimburse him for either the Sci-Port fundraiser or the Deaf Action Center donation. He specifically recalls the Sam Johnson contribution and that it was not reimbursed to him by LMS. Again, a bonus of \$1,300.00 to Dr. George would have netted him \$878.15 - a figure well below the amount of the contribution.

The only contribution by Ann George that has been questioned was a 1999 \$1,000.00 contribution to Gore 2000, Inc. No bonus has been identified that even remotely seems to correlate to that donation. Mrs. George never remembers any bonus paid to her or her husband that was linked to a political contribution.

Finally, there is a reference to an interview with Dr. George in which he purportedly told the interviewers that he occasionally had contact with Don Boucher about making political contributions. Dr. George denies ever making such a statement. He does recall discussing Louisiana politics in general with Mr. Boucher - a common topic of conversation among businessmen throughout Louisiana - but denies ever consulting him about political donations.

In the attached affidavits, Dr. and Mrs. George have attested under oath to the truth of these assertions in this letter.

Very truly yours,

James C. McMichael, Jr.

JCMjr:law
Enclosures

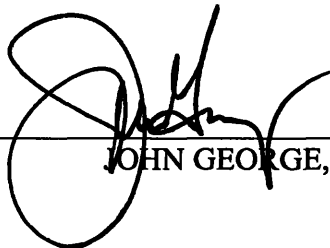
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STATE OF LOUISIANA

PARISH OF CADDO

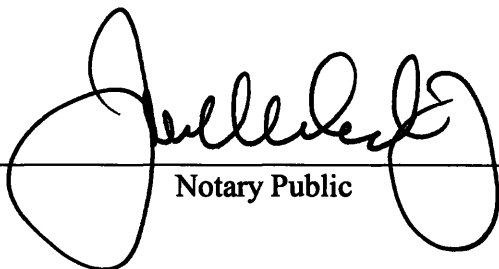
VERIFICATION

BEFORE ME, the undersigned authority, personally came and appeared JOHN GEORGE, M.D. who, after being first duly sworn, deposed that he has read the above and foregoing letter addressed to Kathleen Dutt, dated February 18, 2004, and that the statements of fact contained therein are true and correct to the best of his knowledge, information and belief.



JOHN GEORGE, M.D.

SWORN TO AND SUBSCRIBED BEFORE ME, the Notary Public, on this the 18 day of February, 2004.



Notary Public


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STATE OF LOUISIANA

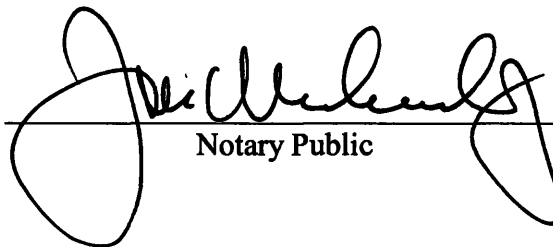
PARISH OF CADDO

VERIFICATION

BEFORE ME, the undersigned authority, personally came and appeared ANN GEORGE, who, after being first duly sworn, deposed that she has read the above and foregoing letter addressed to Kathleen Dutt, dated February 18, 2004, and that the statements of fact contained therein are true and correct to the best of her knowledge, information and belief.


ANN GEORGE

SWORN TO AND SUBSCRIBED BEFORE ME, the Notary Public, on this the 18 day of February, 2004.


Notary Public

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